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OPS CENTER: PLEASE PASS TO SECRETARY'S PARTY.
NEA FOR FRONT OFFICE AND IPA; NSC FOR ABRAMS/DORAN/MUSTAFA

E.O. 12958: DECL: 02/24/2016 TAGS: PREL EFIN KPAL KWBG PGOV SUBJECT: SALAM FAYYAD ON HAMAS

Classified By: Consul General Jake Walles. Reasons: 1.4 (b) and (d)

Summary

11. (C) In meetings with NEA DAS Dibble and Consul General on February 22, Third Way party leader Salam Fayyad discussed Hamas' plans and the challenges they would face once in power. Consul General and DAS Dibble emphasized the need for other parties to stay out of government so that Hamas would be forced to deal with the consequences of its own policies. Fayyad subsequently briefed Consul General on February 23 of his conversations with Hamas, reporting that he advised Hamas to comply with the political and security requirements set out by President Mahmoud Abbas (Abu Mazen) and that he expressed concerns about Hamas' social plans. The Hamas delegation questioned Fayyad about the PA's financial situation; Fayyad said he believes Hamas understands it faces a financial problem, but does not yet recognize its full extent. Hamas asked Fayyad if he would be willing to join their government; Fayyad said he did not answer them directly, but told Consul General he has no intention of doing so. Fayyad said he looked forward to Hamas actually having to govern, which he thinks will change the image Hamas enjoys in Palestinian public estimation; he also thought Hamas would focus on keeping the security situation quiet.

Consultations with Hamas

- 12. (C) New Palestinian legislator and former PA Finance Minister Salam Fayyad told DAS Dibble and Consul General February 22 that he would be consulting February 23 with Hamas, though he wryly noted that he had no plans to join them and they knew it. His was the last group to whom they planned to talk. Fayyad said he believed the sooner a government was formed, the better. Fayyad noted that Hamas is eager to have Fatah join them and that some individuals in Fatah would take them up on that offer. Fayyad said that he would like to see Hamas alone in the government so that no one else would be blamed for its failures. Both DAS Dibble and the Consul General stressed that they had been telling their interlocutors that no one outside of Hamas should join them because that would only provide them with political cover. The standards had been set by the international community, and complying with those standards was up to Hamas.
- 13. (C) Fayyad subsequently met with Mahmoud Zahar and other Hamas leaders in Gaza on February 23, and provided a readout later that evening to the Consul General. According to Fayyad, Zahar emphasized that the next government will be

under Hamas control, regardless of who else joins. Fayyad urged Hamas to work out an agreed political and security program with Abu Mazen in order to have any hope of success in running the PA. Fayyad also told Hamas that his "Third Way" party has social and other concerns about a Hamas government, but emphasized that developing a political and security program takes precedence. Fayyad reported that Hamas insists it will not give up the right to resistance; he told them he did not dispute this right, but pointed out that Hamas needs to think about what resistance has done for the Palestinian people in the last five years (i.e., that the Israeli reaction has seriously damaged Palestinian interests).

¶4. (C) Fayyad said the Hamas delegation asked him several questions about the PA financial situation; his impression is that they understand there is a serious problem, but that they don't recognize its full extent. He said that Hamas asked him if he was willing to join a Hamas government; he said he did not answer them directly (Comment: this has led to press speculation that he might join the government. Hamas spokesman Sami Abu Zuhri is quoted as saying "Hamas has invited Fayyad to join the new cabinet, and he said he will seriously consider the offer." End comment). However, Fayyad told Consul General again that he has no plans to join the Hamas-led government.

Views on Hamas' Ability

15. (C) Fayyad noted in his February 22 meeting with Consul General and DAS Dibble that Prime Minister-designate Haniyya had virtually no relevant professional experience. While Haniyya's government would benefit from comparisons with the poor performance of the government that preceded it, Fayyad

looked forward to a Hamas government having to implement decisions that may not please everyone. He said that Hamas needed to govern in order for Hamas to be "demystified" in the eyes of the Palestinian electorate, otherwise, Hamas would always be viewed as the "saviors, philosophers, and wise men." Fayyad urged the USG to cease the "constant bashing" of Hamas because that only served to elevate them. He noted that every time the U.S. President said the word "Hamas," that raised their profile.

- 16. (C) Fayyad lamented that the current circumstances give the Israeli government a "clear shot at finishing us off." He said that Hamas would need a number of years to moderate sufficiently. In the meantime, power in a Hamas-led Palestinian Authority would shift to a quasi-autonomous Gaza, a development that would allow Israel to do whatever it wanted in the West Bank.
- 17. (C) Fayyad observed there were some positives to a Hamas-led government. He hoped that their focus would be on security and maintaining a period of quiet since that is "the only card they have." He noted that their political posture is not as "taxing" as it first appeared, given their preference for a long-term truce in exchange for the end of occupation. Fayyad noted that Prime Minister Sharon had spoken of a long-term solution after the barrier was completed. Fayyad said that public expectations of Hamas are low, unlike the situation when Abbas was elected President.

WALLES